



**Interim Results Presentation
Half Year Ended 31 December 2012**

26 February 2013

Financial

- Revenue up 43% on prior corresponding period to \$120.6m
- NPAT of \$4.3m
- Overhead base increased to support growth
- Major contracts awarded later in H1 than expected but will ramp up in H2
- Strong balance sheet with cash of \$46.9m

Operational

- LTI free in the period and over eight years LTI free in Australia
- Awarded Rio Tinto Cape Lambert Phase A, largest contract in company's history
- Continued internal investment, \$15.6m capital expenditure and on-going systems developments
- Winner of Rio Tinto Iron Ore's 2012 Supplier Recognition Program - Construction Category award
- Corporate rebranding into three operating divisions: Infrastructure, Construction and Services

Outlook

- Strong full year result expected
- Results skewed towards H2 driven by Cape Lambert Phase A and Tropicana
- Order book of \$186m at 31 December 2012 and significant project pipeline
- KSJV formed to capitalise on estimated E&I spend of up to \$7bn on Australian LNG

Powering Australia's resources industry

- emerging Tier One provider of specialised electrical and instrumentation services
- deliver life-of-project services to large-scale resource projects across Australia
- strong reputation for safety and excellence
- established in 1978 and listed on the Australian Securities Exchange under the code SXE



About us



Three operating divisions provide clients project life cycle support



Design and construction of high voltage power line distribution switchyards and substations



E&I installation and commissioning of greenfield and major brownfield upgrade projects



Operations support, maintenance and sustaining capital management, brownfield services

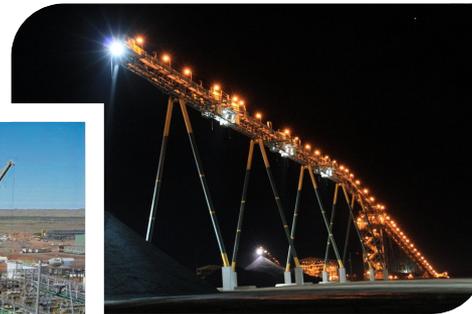


Exposure to five sectors



SCEE operates in the following resource sectors:

- Iron ore
- Minerals and metals
- LNG
- CSG
- Coal



Contract awards



Rio Tinto Cape Lambert Phase A

- Largest contract in Company's history at over \$100m
- Awarded under existing framework agreement

AngloGold Ashanti/Independence Tropicana Gold Project

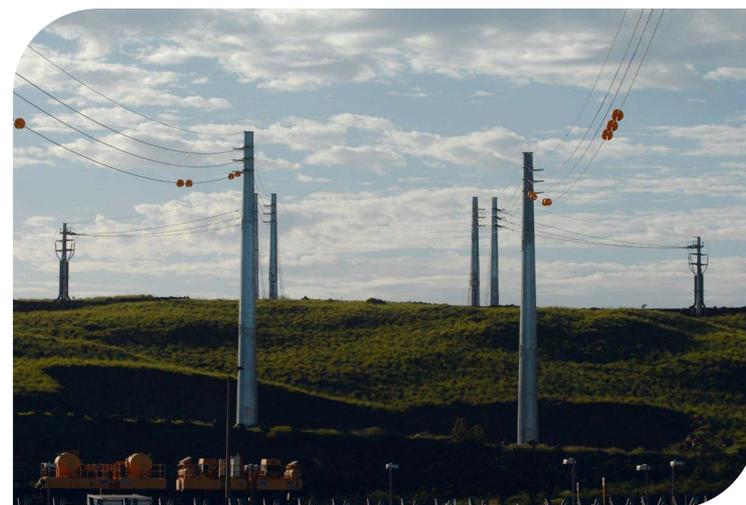
- Contract value over \$40m

Rio Tinto Yandi Expansion Project

- Contract value over \$29m

New framework agreements

- Rio Tinto Services
- BHP Sustaining Capital

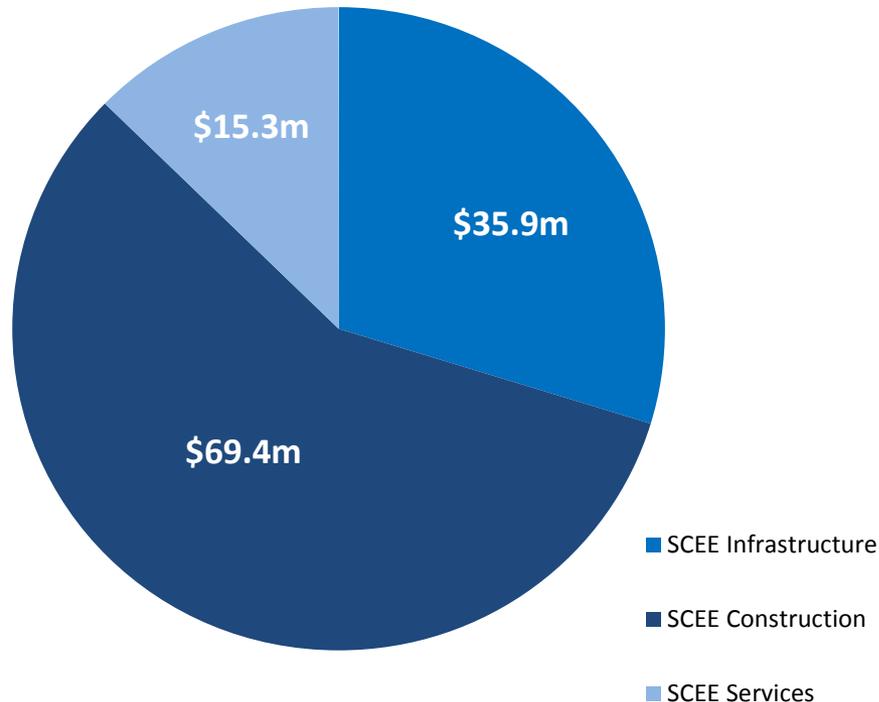


Financial results



	HY13 \$m	HY12 \$m	Change %	
Revenue	120.6	84.2	43%	<ul style="list-style-type: none">• Significant increase in revenue from corresponding prior period• Overhead base grown to support expected higher activity levels• Key contracts awards received later in H1 than expected• Significant increase in revenue and NPAT forecast for H2• Expect strong full year result
Gross profit	24.0	17.8	35%	
Gross margin	20%	21%		
EBIT	7.2	7.3	(1%)	
NPAT	4.3	5.1	(17%)	

Revenues by operating division



Main contributors:

SCEE Infrastructure

- Rio Tinto Coastal Waters
- Rio Tinto Yandi Expansion
- Rio Tinto Cape Lambert 33kV

SCEE Construction

- MCC Sino Iron
- AngloGold Ashanti Tropicana
- QGC Early Works
- TSJV Lake Vermont
- Rio Tinto Early Works

SCEE Services

- Rio Tinto Services
- Silver Lake Resources Tuckabianna

Balance Sheet



	Dec 12 \$m	Jun 12 \$m	
Current assets	110.2	91.9	• 46.9m cash balance
Non current assets	47.8	34.7	• \$15.6m investment in plant and equipment
Total assets	158.0	126.6	• \$5.4m debt
Current liabilities	61.2	33.4	• \$60.0m banking and bonding capacity of which \$35.7m on issue at period end
Non current liabilities	8.9	6.4	
Total liabilities	70.1	39.8	
Equity	87.9	86.8	

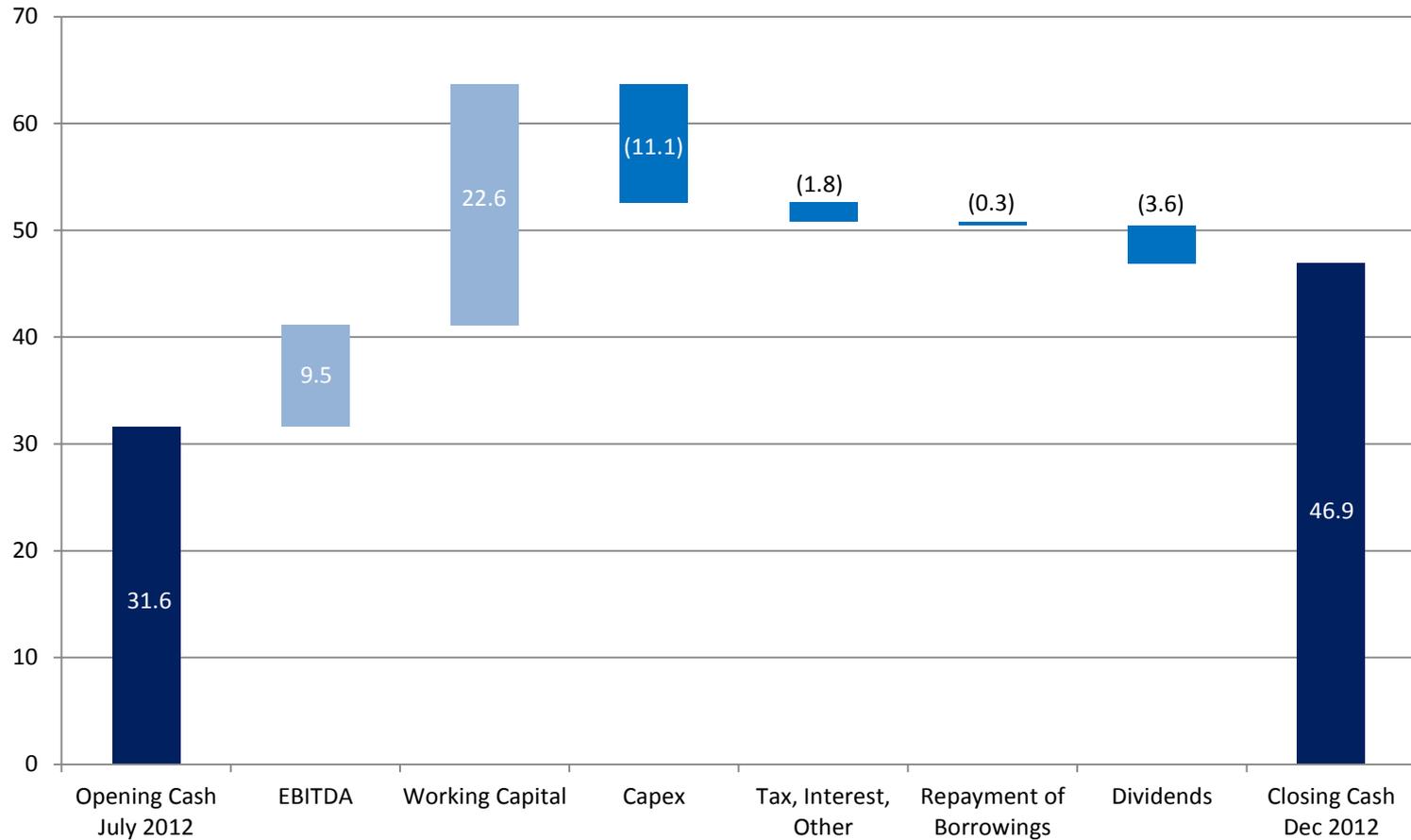
Cashflow



	HY13	HY12
	\$m	\$m
Operating cash flows	30.4	(2.3)
Investing cash flows	(11.1)	(0.7)
Financing cash flows	(4.0)	(6.2)
Net movement in cash	15.4	(9.2)
Opening cash balance	31.5	26.3
Closing cash balance	46.9	17.1

- Strong operating cash inflow in period
- \$11.1m cash outflow on plant and equipment
- FY12 dividend of \$3.6m paid in period

Cashflow analysis



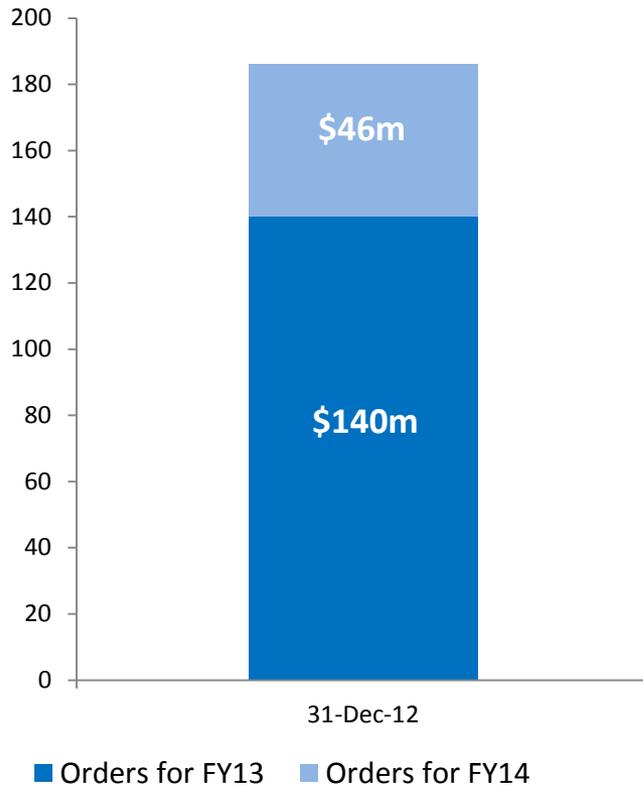
Our vision



SCEE's vision statement communicates our future mid-to-long term aspirations for the business, it is a unified statement to our team and other stakeholders of both SCEE's intent and direction:

An emerging Tier One E&I contractor with first class systems, health and safety performance, a can-do culture and exceptional reputation

Order book



Ongoing works:

- Rio Tinto Cape Lambert Phase A
- AngloGold Ashanti Tropicana Gold Project
- Rio Tinto Coastal Waters
- Rio Tinto Yandi Expansion
- MCC Sino Iron

Order book excludes work under recurring framework agreements – typically \$2m/month

Work continuing on further significant tenders

Strong full year expectations



- Revenue and NPAT to significantly improve in H2 as key projects ramp up
- Overheads as a percentage of revenue in H2 to return to levels equal to or lower than FY12
- Ability to meet those expectations dependent on:
 - Volume of activity on key projects remaining in line with current schedules
 - Commercial close out of QCLNG Early Works and Lake Vermont projects

Opportunity pipeline



Iron ore

Rio Tinto Cape Lambert Phase B, Sino Iron Trains 3 to 6, Hancock Prospecting Roy Hill, BHP Sustaining Capital

LNG

Chevron Wheatstone, Inpex Ichthys, Chevron Gorgon, QCLNG, APLNG, GLNG

CSG

QCLNG facilities, APLNG facilities, GLNG facilities

Minerals & metals

Orica Tan Burrup nitrate plant, Newcrest Cadia expansion, Sustaining capital projects

Coal

Anglo American Grosvenor, Maules Creek Coal JV, Xstrata Wandoan, Adani Mining Queensland Coal

Growing recurring revenues



- Growth of services business fundamental to long term growth strategy
- SCEE Services brand established from 1 July 2012
- Framework agreements in place with Rio Tinto and BHP
- Targeting existing and new LNG facilities – Gorgon, Pluto and NWS



Unprecedented growth potential

- Up to \$7bn of E&I work to be performed in Australia over the next five years on projects with FID
- Additional work expected from projects in FEED
- Formed KSJV with highly regarded international E&I contractor Kentech in December 2012
- Creates a new Tier One E&I entity
- 50:50 unincorporated joint venture targeting E&I work on Australian onshore LNG construction projects
- Tendering expected to commence in H2 FY13



Rationale for Joint Venture

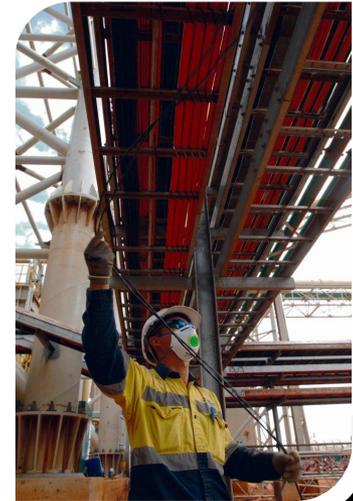
- E&I packages on LNG construction projects expected to be in the range of \$400m-\$500m
- Clients only consider suppliers with operational and financial capacity to perform this work
- Combined KSJV will be of the necessary scale
- Kentech bring proven international LNG experience and relationships with key clients
- Complements SCEE's existing LNG experience on Pluto and local content



Health and safety



- Continual focus on performing our work safely
- LTI free in the period
- Eight years LTI free in Australia
- Purpose built training facilities and training programs aimed at maintaining these high standards



Systems development



- Project management system (SCEEtrak) development on schedule and on budget
- New ERP selected and phase one of implementation scheduled to go live June 2013

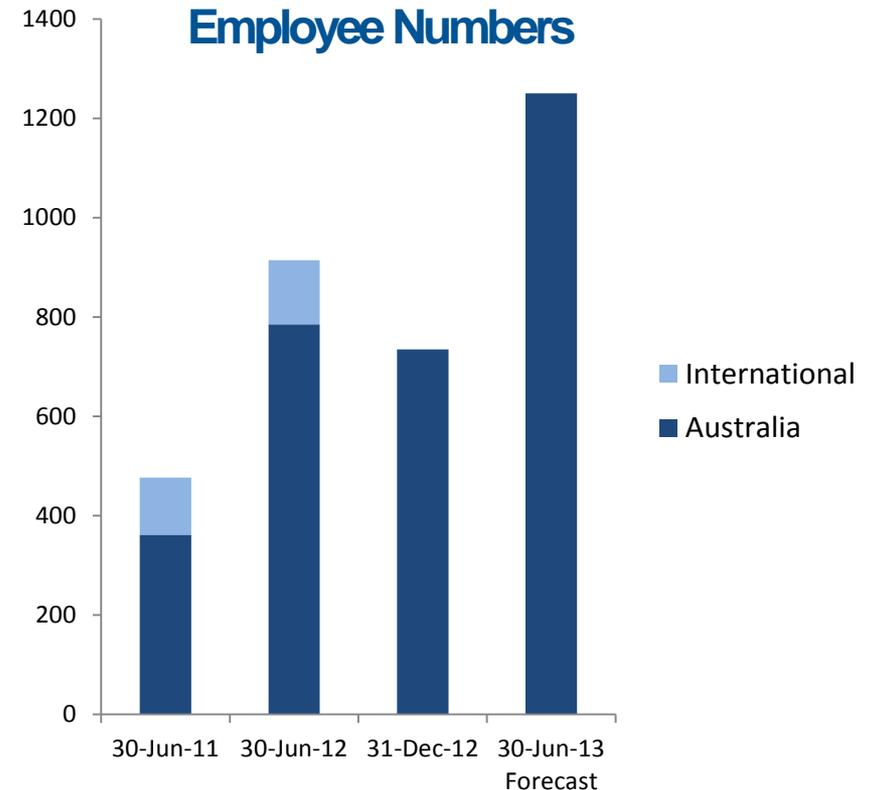


Growing our people



Focus on recruitment and training

- Return to growth in employee numbers as activity increases in H2
- Recruitment and training valuable part of company growth and development
- Dedicated training managers, facilities and training management systems
- Apprenticeship program has high retention rates



Client recognition



Rio Tinto Iron Ore Supplier Recognition Program



- Winner of 2012 Construction Category
- Recognition of the significant value added by SCEE
- Demonstrates SCEE's ongoing commitment to outstanding levels of client service

Set for second half surge

- First half revenues 43% higher than corresponding prior period
- Order book of \$186m supports growth in full year revenues
- Increased overhead base supporting growth in the business, overheads as a percentage of revenue expected to reduce in H2
- Strong full year result expected
- Continued investment in our people, systems and equipment
- Framework agreements in place with key clients
- KSJV formed to target unprecedented LNG activity



Non-IFRS financial information



SCEE's results are reported under International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The Company discloses certain non-IFRS measures that are not prepared in accordance with IFRS and therefore considered non-IFRS financial measures. The non-IFRS measure should only be considered in addition to, and not as a substitute for, other measures of financial performance prepared in accordance with IFRS.

EBIT is a non-IFRS earnings measure which does not have any standard meaning prescribed by IFRS and therefore may not be comparable to EBIT presented by other companies. EBIT represents earnings before interest and income tax.

EBIT Reconciliation:

	HY13	HY12
	\$m	\$m
Profit before tax	7.1	7.6
Finance expense	0.4	0.4
Finance income	(0.3)	(0.7)
EBIT	<u>7.2</u>	<u>7.3</u>

Disclaimer



Some of the information contained in this presentation contains “forward-looking statements” which may not directly or exclusively relate to historical facts. These forward-looking statements reflect Southern Cross Electrical Engineering Limited’s current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside the control of Southern Cross Electrical Engineering Limited.

Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks. Because actual results could differ materially from Southern Cross Electrical Engineering Limited’s current intentions, plans, expectations, assumptions and beliefs about the future, you are urged to view all forward-looking statements contained herein with caution.